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Government
Publications

Annual Report 2008



Board of Funeral Services

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Annual Report

Board of Funeral Services - January 8, 2009 for the period ending October 31, 2008

Board Membership

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the ***Funeral Directors and Establishments Act***, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

MEMBERS OF THE BOARD OF FUNERAL SERVICES

	2009		2008	
Chair	Cathy Taylor*	Toronto	Alison Knight*	Toronto
Vice-Chair	Ronn Dodge	London	Cathy Taylor*	Toronto
Treasurer	Kevin Palin	Toronto	Ronn Dodge	London
	Mumtaz Akhtar*	Ottawa	Mumtaz Akhtar*	Ottawa
	Chris Ferguson*	Toronto	Chris Ferguson*	Toronto
	Robert Hubbert	St. Catharines	Robert Hubbert	St. Catharines
	Doug Kennedy	Toronto	Doug Kennedy	Toronto
	William Kiteley	Sault Ste. Marie	William Kiteley	Sault Ste. Marie
	Alison Knight*	Toronto	John Laframboise	Ottawa
	John Laframboise	Ottawa	Robert Oliphant*	Toronto
	Harry Rath	Belleville	Kevin Palin	Toronto
	Tracy Seaton	Ottawa	Harry Rath	Belleville
			Tracy Seaton	Ottawa

*Denotes Public Member

BOARD OF FUNERAL SERVICES STAFF

Registrar
Joseph Richer

Manager, Inspections & Investigations

René Brakel

Inspectors
Randy Balon
Michelle Crognaie
Karie Draper
Ken Singh

●
General Legal Counsel
Steinecke Maciura LeBlanc

Discipline Committee
Independent Legal Counsel
Alan Bromstein – Barrister & Solicitor

Manager, Licensing & Administration

Susan Beck

Administrative Bookkeeper
Marlen Weiler

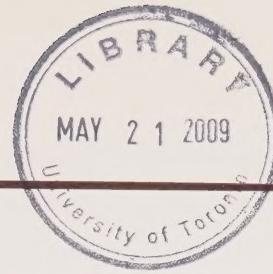
Bilingual Administrative Assistant
Claude Civil

Coordinator Administrative Services
Liselotte Kidston

Professional Competence Officer
Vicki McCoy

●
Auditor
Harris and Wright

Table of Contents



Our Mission .....	.2
Our Corporate Goals and Values .....	.2
Message from the Chair .....	.3
Message from the Registrar .....	.4
Business Plan Achievements 2008 .....	.5
Strategic Outcome 1 - Maintaining High Levels of Consumer Protection	
Strategic Outcome 2 - Advancing Service Excellence Through Professional Development	
Strategic Outcome 3 - Increasing Public Awareness	
Strategic Outcome 4 - Managing Uncertainty	
Board Committee Updates .....	.8
Discipline Committee .....	.8
Compensation Fund Committee .....	.9
Complaints Committee .....	.10
Licensing Committee .....	.12
Audit, Finance and Risk Committee .....	.14
Communications and Long Range Planning Committee .....	.15
Compliance .....	.16
Licensing and Administration .....	.19
Board of Funeral Services Financial Outlook .....	.22
Auditors' Report .....	.22
Balance Sheet .....	.23
Statement of Revenue and Expense .....	.24
Statement of Surplus .....	.24
Statement of Cash Flows .....	.25
Notes to Financial Statements .....	.26
Prepaid Funeral Services Compensation Fund	
Balance Sheet .....	.28
Statement of Revenue and Expense .....	.28

* Pour obtenir une copie du Rapport annuel en français, visitez le site Web du Conseil à www.funeralboard.com ou communiquez avec le bureau du Conseil au 1 (800) 387-4458 ou (416) 979-5450.



Our Mission

The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

Our Corporate Goals and Values

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Small Business and Consumer Services retains responsibility for Ontario's consumer protection legislation and regulations and monitors the overall performance and reporting obligations of the Board.

Message From the Chair

Throughout this past year, the Board of Funeral Services has again been pro-active in ensuring the highest standards of care for the people of Ontario and in providing guidance and feedback to licensees in the province. The extremely low incidence of complaints, as well as the extremely high compliance rates confirmed through the inspection process, speak to the integrity of the sector and the strength of the regulatory regime and the abilities of the Registrar and staff.

As is common in many areas of life, the Board is carrying out its work in the midst of many changes. During the year, there were further consultations and discussions regarding the proclamation of the *Funeral, Burial and Cremation Services Act, 2002*. Although no definitive timeframe has been announced by the Government, the Board is hopeful that the period of uncertainty will soon end. This will allow both the Board and other stakeholders to engage strategically in addressing industry issues in a way that is currently not possible.

In the fall of 2008, the Government of Ontario re-organized certain ministries with the result that the Board of Funeral Services is now under the oversight of the Ministry of Small Business and Consumer Services. The Board has been engaged with Ministry staff and representatives of seven delegated authorities addressing issues such as burden reduction for small business, "cap and trade" limits for regulatory changes, and single corporate identifier protocols all of which are new and interesting issues for the Board.

Also, as a result of Labour Mobility provisions of the amended Agreement on Internal Trade, the Board, and in particular the Registrar, has been involved in working through the implications of this agreement for the funeral directors in Ontario.

Earlier in 2008, in order to strengthen the Board's ability to serve the breadth of Ontario's multicultural society, the Board initiated contact with the Last Rites Committee of the Ontario Multifaith Council. This led to a number of initiatives, which the Board hopes to pursue in the coming years, including delivering information about religious and cultural diversity to licensees through the Board's newsletter and professional development programs, regular meetings to address and share any concerns that may arise and direct access to leaders of the many faiths in Ontario, should the need for direct communications arise.

In 2008, the Board also began to review the requirements under the customer service standards of the *Accessibility for Ontarians with Disabilities Act*, which includes communication and access to information. Although the Board is not required to be in compliance until 2012, the Board will endeavour to achieve compliance as soon as is reasonably possible. In the coming years, the Board will provide guidance to the funeral sector through newsletters and professional development courses in order to assist licensees in removing barriers to access.

Finally, as we move into 2009, the Board is hopeful that regulations will be passed that will allow for an adjustment of fees. Fees paid by licensees have not changed since 1992. Although the passage of time in and of itself does not necessarily lead to a need for a fee adjustment, the Board has found itself increasingly stretched to carry out its mandate at the current level of fees. Therefore, the Board has requested that fees be adjusted so that it can maintain an effectively resourced organization for the benefit of all Ontarians.

The Board is blessed with dedicated and gifted staff and Board members. Although the Board of Funeral Services is not a large organization by any means, it is because of the dedication of the staff and members that the Board can adapt to the many changing needs of society and those it serves, as you will see in the other reports.

I would like to thank Robert Oliphant who left the Board in the Fall of 2008 following his election to the House of Commons where he will continue to serve the public. We wish him well.

It has been my privilege to serve as Chair in 2008 and I look forward to continuing my work with the Board as Past Chair in 2009.

Sincerely,

Alison J Knight, FCA
Chair



Message From the Registrar

As we await the proclamation of the *Funeral, Burial and Cremation Services Act, 2002*, we have been productive implementing many initiatives to ensure strong governance and reducing the administrative burden within our operations and for licensees.

The implementation of our new information technology infrastructure project has allowed us to better use our database. The next phase will bring further functionality, though admittedly, many of the changes would be best implemented concurrently with any legislative changes in the governing legislation and regulations.

Throughout this year of good governance, we implemented several new formal policies and procedures, including a project management policy, a new employee information manual containing several new policies and a new investment policy, to name a few. Bylaw amendments were also necessary to implement the Board's new investment policy.

We also reached out to the Ontario Multifaith Council (OMC) to establish a relationship through the OMC's Last Rites Committee. A very positive interchange has raised awareness of the Board of Funeral Services and opened a channel of communication. Both organizations and their members will be well served by the new relationship.

We continue to enhance our support of the internship program, broadening our support services to preceptors as well as interns. A new sample employment agreement, a new internship transfer policy and related documentation, a set of articles to support interns, a new quality assurance embalming report program, are the key initiatives implemented this year. Changes to internship registration forms have not only reduced the number of forms necessary, but have also facilitated the way shared internships are accommodated.

To ensure the quality of the service we provide through our complaints process, we have also introduced a quality assurance survey for the parties to the complaints process. New in 2008, the survey results to date are very favourable.

Most people thought 2008 would be the year the new legislation would be proclaimed. However, a change in Ministry to the Ministry of Small Business and Consumer Services, a new Minister and Deputy Minister, along with immersing issues facing the Ministry resulted in a delay in proclamation.

Like many, we are ready for legislative reform for the Ontario funeral sector. We look forward to working with the new Ministry and stakeholders to bring about effective change to the laws – consumers and licensees alike will benefit from stronger consumer protection laws that strike the appropriate balance between effective consumer protection and reasonable burden on licensees.

I would like to thank the members of the staff for their continued dedication and support and the Board for its guidance and dedication. In particular, I would like to thank Alison Knight for her leadership and commitment as Chair of the Board in 2008.

Joseph Richer
Registrar

2008 Business Plan Achievements

The Board believes that in order to carry out its mandate and achieve its goals and vision, it must focus on the four following "Strategic Outcomes."

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

Each of the Strategic Outcomes drives the Board's activities for the year and provides a framework for setting annual targets. Highlighted below are some key achievements this year.

STRATEGIC OUTCOME 1 - Maintaining High Levels of Consumer Protection

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out site inspections and ensure high levels of compliance. In addition, it must handle consumer enquiries, and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of prepayment funds.

Inspections Keep in Step

The inspection team carried out a record 278 inspections, during which over \$11,000 in consumer refunds were identified.

Complaint Process Continues to Improve

The Board continues to mediate complaints, having resolved favourably approximately 22% of the complaints considered in the year and the remaining being considered by the committee. In addition, matters are handled promptly. On average a decision or resolution was made within 82 days of the receipt of the complaint, which included the licensee average response time of 22 days.

To ensure the quality of the complaint handling process, a quality assurance program has been implemented in 2008 and the results support the program is working well and that staff members are knowledgeable and helpful when carrying out their duties.

Healthy Compensation Fund

Four claims were paid by the Compensation Fund in 2008, for a total of approximately \$40,900. The Fund continues to maintain a healthy balance and a diversified portfolio, with a market value of \$2.1 Million at October 31, 2008.

The Committee also formalized the Fund's long term investment goals, which it will use to assess the trustee's performance.

Involvement in Development of New Legislation

The Board remained vigilant on the legislative front, submitting comments to the Ministry of Small Business and Consumer Services regarding draft regulations released for public comment. The Board's focus remains on proper training to appropriate competencies for all personal licensees, particularly those advising consumers.

STRATEGIC OUTCOME 2 - Advancing Service Excellence Through Professional Development

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and knowledge. The Board has reviewed funeral service education in Ontario and has developed an implementation plan based on the recommendations in the report.

Preceptor Training Program & Internship Support Program

The Preceptor Training Program continues to receive positive support. Over 250 funeral directors have now completed the program, which was delivered once in 2008.

To support interns during their internship, for the second year, the Board has delivered its Intern Outreach Program, which provides interns the opportunity to share ideas and experiences to become successful funeral directors. The program provides tools to assist interns to successfully manage challenges they might face during their internship.

The program now sees six topical articles forwarded to each intern, one every other month. Revised embalming reports and registration forms should make things a little easier. A new sample employment agreement will be released in 2008/2009, which should assist the parties to better understand their respective expectations and accountabilities.

To ensure the proper completion of embalming reports during the internship, the Board has instituted a quality assurance program whereby approximately 20% of interns are selected to submit their embalming reports for review. The review of reports in 2008 resulted in several interns having to review, revise and resubmit their reports to the Board.

Successful Professional Development

PD 2008 Toronto received very positive comments from the 369 funeral director participants. The program participants build their own program by selecting five seminars from among the nine available.

Proactive Communications with the Profession

The Board published three newsletters, which included special updates on the *Funeral, Burial and Cremation Services Act, 2002* and other issues facing licensees. Board representatives also attended several meetings of provincial and local professional associations, including a tradeshow where Board staff attended to allow licensees to ask questions in a more comfortable atmosphere.

Active Participation in Education Development

The Board remains committed to the development of appropriate education standards for existing and prospective new licensees under the *Funeral, Burial and Cremation Services Act, 2002*. The Board looks forward to taking on its part in the development of new education standards.

STRATEGIC OUTCOME 3 - Increasing Public Awareness

The Board of Funeral Services believes that increased public awareness and education will ultimately lead to increased levels of consumer protection. Increasing the profile of the Board, and educating consumers about the need to deal with duly licensed funeral establishments or transfer services will continue to be a key area of focus.

Consumer Shows

The Board continued its outreach initiative by attending consumer shows to promote awareness of the Board and its consumer protection message. With an attractive booth display and knowledgeable staff, the Board attended five consumer shows and presentations this year.

The Board also reached out to operators of facilities for the elderly and retired communities. Board representatives attended the Ontario Retirement Community Association and Ontario Long Term Care Association annual trade show, where we received orders for a remarkable 8,000 consumer brochures.

Consumer Access to Information & the Board Made Easy

The Board consolidated its two consumer brochures into one, so all the information could be found in one document. The brochure, and other consumer information, continues to be available through its Web site, from the Board office and at various consumer shows and presentations. The brochures are available free of charge to licensees to distribute to consumers.

Web site Enhancements Improve Communications

The Board continues to enhance its Web site, recently focusing on enhancing information for interns and licensees. We encourage licensees and consumers to visit www.funeralboard.com.

French Language Services

The Board is committed to providing services in French. In addition to attending to both consumer and licensee inquiries in French, the Board's Web site, annual report, newsletters and various forms are all available in French.

STRATEGIC OUTCOME 4 - *Managing Uncertainty*

Pending legislative reform and the possibility of the creation of a single Delegated Administrative Authority for the entire Bereavement Sector, the Board believes the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with the Ministry, staff and the profession at large.

Maintaining Focus on Current Mandate and Operational Delivery

The Board implemented new investment and project management policies, as well as new investment goals for the Compensation Fund.

Completing a record 278 inspections, renewing all licences in a timely manner, processing applications for new licensees with very few delays and timely handling of complaints and compensation claims all made for a very successful year.

Ongoing Communication with the Profession

The Board kept the profession informed of ongoing initiatives through regular newsletters and bulletins and attendance at various professional association meetings.

Making it Easier for Applicants

The Board revised some of its application forms for internships to make them easier to complete and accommodate shared internships on one form, eliminating the need for multiple forms.



Board Committee Updates

The Board of Funeral Services has established eight Committees and Teams, which together enable the Board to carry out its mandate and strive towards achieving the Strategic Outcomes of its business plan:

- ◆ Discipline Committee
- ◆ Compensation Fund Committee
- ◆ Complaints Committee
- ◆ Licensing Committee
- ◆ Audit, Finance and Risk Committee
- ◆ Communications and Long Range Planning Committee
- ◆ Inspection Team
- ◆ Licensing and Administration Team

While the activities of each Committee may contribute more directly to one or two specific Strategic Outcomes in our annual business plan, it is the combined efforts and cooperation of the Committees and the Board that has enabled the organization to achieve its greatest success. The following are the reports of each Committee's findings, activities and accomplishments in the year.

DISCIPLINE COMMITTEE - Ensuring Rights of Consumers

Mandate

The Board of Funeral Services is committed to ensuring its licensees act professionally at all times to ensure that consumers' rights are protected and that their needs are met. The Board's Discipline Committee considers allegations of professional misconduct or incompetence against funeral directors. The allegations can be referred to the Discipline Committee by the Complaints Committee, the Executive Committee, or the Board itself.

The Discipline Committee follows established procedures for hearings and is advised by independent legal counsel. The Board of Funeral Services is represented by legal counsel and the funeral director has the right to be represented by legal counsel as well. The Discipline Committee's decisions may be appealed to the Licence Appeal Tribunal ("the Tribunal"), which is independent from the Board.

Cases Heard in 2008

In 2008, the Discipline Committee heard three cases, two of which resulted in findings of professional misconduct.

In the first case, the funeral director pleaded guilty and was found guilty by the Discipline Committee of professional misconduct as a result of preparing and submitting to the Registrar falsified Reports of the Public Accountant. The reports indicated that they were prepared by a public accountant when in fact they were prepared by the funeral director himself. The Committee ordered that the funeral director's licence be revoked.

In the second case, the funeral director pleaded guilty and was found guilty by the Discipline Committee of professional misconduct as a result of signing the consumer's name on an agreement for the purchase of funeral services and supplies without the consumer's permission. The Committee ordered that the funeral director be reprimanded, her licence be suspended for three months, that she pay a fine of \$1,500 and that she must attend Professional Development 2009.

In the third case, the funeral director was found not guilty of professional misconduct. In this case, the funeral director, through other staff, had accepted an urn that was to be donated to a needy family when the opportunity arose. It is alleged that the funeral director placed the urn for sale.

Kevin Palin

Chair

COMPENSATION FUND COMMITTEE – *Compensation, it's a matter of principle*

Mandate

The Compensation Fund Committee, which comprises three members, administers the Prepaid Funeral Services Compensation Fund. The Fund provides compensation to consumers when they have suffered a financial loss because their prepayment funds were mishandled. All claims must be supported by documentation, such as proof of payment.

Claims

In 2008, the Committee considered seven compensation claims against the Fund. The claims were the result of the misappropriation of prepayment funds by one licensee, whose licence was revoked for a variety of reasons. The Committee approved four of the claims for a total of \$40,922. For three other claimants, the Board was able to secure from the licensee the funds necessary to cover the claims, which meant no monies had to be paid out from the Fund.

Managing the Fund

The Committee reviewed its approach to oversight of the Fund to ensure its approach was in keeping with best practices. As part of its review, it revised and established new long term investment goals that the trustee is to follow in determining the investment strategy for the Fund.

The goal is for the Fund to earn income sufficient to cover average annual expenses and claims. The Committee meets regularly to review the Fund's portfolio to ensure its assets are secure and well positioned for the economic climate. While the Fund was not immune from the worldwide economic downturn, the impact was minimal, with the assets of the Fund valued at approximately \$2.1 Million as of October 31, 2008, the Fund is healthy and invested in a balanced portfolio. Key parts of the financial statements of the Fund are included in the Board's Annual Report and full financial statements are always available from the Board office upon request.

The Committee would like to thank the Board and the staff for their support and guidance in managing the affairs of the Fund.

Robert Hubbert

Chair



COMPLAINTS COMMITTEE

Mandate

The mandate of the Complaints Committee is to consider consumer complaints regarding a licensee's conduct. The Committee comprises three members, one public and two licensees.

About the Complaints

While the number of complaints rose from last year, and the trend over four years is upward, complaint volumes remain low compared to other regulated sectors and when considered against both the number of transactions in the funeral sector, approximately 87,000, and their inherently stressful and emotional circumstances.

The Committee remains sensitive to the fact that grief can magnify what might in less emotional circumstances be considered minor issues and therefore is compassionate about the complaints that it believes were unfounded – about half the total. While there were occasions where licensees clearly did not follow the directions of the consumer, there were several examples of simply unrealistic complaints. In a few cases, the consumers felt the licensee acted inappropriately by attempting to collect payment on their outstanding accounts. The licensees in question appeared to act very reasonably in their efforts to collect payment, but the Committee understands these matters can be very sensitive.

In other circumstances, complainants appeared to try to use the complaints process for unintended purposes. In one matter, a former owner expressed concern about the manner in which the new owner was holding out the business. In another, the complainant believed the licensee acted unethically by seeking an amendment to the zoning of his property. In both cases, it was clear that there were other more appropriate forums for the disputes to be resolved.

The Committee continues to appreciate the licensees' commitment to dealing professionally and seriously with all matters brought before the Committee for its consideration, regardless of the apparent circumstances.

Several more complaints this year highlighted the need for licensees to be very careful and diligent in identifying the legal representative of the deceased. The onus is on licensees to get the right information from the right person. Most of the complaints that involved such issues likely could have been averted had the licensees exercised greater diligence.

Learning from Complaints

We continue to use the Board's newsletter as a means of both educating and notifying licensees of issues that have come before the Complaints Committee. This year the Committee published an article about the effectiveness of apologizing when something goes wrong. The Committee also published an article reminding licensees about the need to maintain the confidentiality of information gathered during the course of business.

Complaint Summary

The Board received thirty-six complaints between November 1, 2007 and October 31, 2008. Of these, the Committee considered thirty-one in 2008 and the remaining five will be considered in 2009. The Committee also dealt with five complaints from 2007. The following is a breakdown of the disposition of the thirty-six complaints considered this year.

Outcome	2008	2007
In favour of licensee	15	7
In favour of complainant	13	10
Mediated by Board staff	8	8
Withdrawn	0	0
Referred to discipline	0	2
Total complaints	36	27

Parties to complaints may appeal the decision of the Complaints Committee to the Licence Appeal Tribunal ("LAT"); three appeals were filed this year. While two of the appeals were resolved prior to a hearing, one matter is scheduled to be heard in 2009.

Resolved Disputes

The Committee is pleased that the staff was able to resolve approximately 22% of the complaints it considered this year. The Committee reviews every resolution to ensure that it is appropriate given the circumstances; it accepted all resolutions presented in 2008. The resolutions resulted in the consumers receiving refunds or price reductions for a total value of \$2,165 or an average refund of \$361.

High Level of Service

The Committee is pleased that it and the staff were able to consider matters within an average of 82 days. While the time exceeded its goal of 80 days, the Committee is pleased with the turnaround time, considering it includes the licensees' average response time of 22 days.

In order to build on its high level of service, the Committee approved a quality assurance survey for the parties to complaints regarding the service provided by the Board and its staff. The program, which began in 2008, has returned very positive results from both consumers and licensees who noted their experience with the complaint process as positive. The survey is intended to address the program and professionalism of the staff.

The Committee believes that Ontario's consumers needing funeral services are generally being treated fairly and in a professional manner and the noted examples are the exceptions, not the rule.

Chris Ferguson

Chair



LICENSING COMMITTEE

Mandate

The Licensing Committee comprises three members – one public member and two funeral directors. The work of the committee includes reviewing training programs to ensure their relevance to funeral service in Ontario. In addition, the Licensing Committee oversees the internship program, examinations and professional development programming. Matters referred by the Registrar with respect to candidate licensing eligibility also appear on the Committee's agenda from time to time.

Training Preceptors and Practical Examiners

The Board delivered its Preceptor Training Program once in 2008. Preceptors are the funeral directors who supervise and train interns to become successful funeral directors. Over 250 individual funeral directors have now taken the program, which continues to garner positive comments from participants.

Our Practical Examiner Training & Qualification Program continues to evolve to provide better training to those assessing candidates' competency in embalming. The time has come, however, for the Committee to consider other ways of assessing embalming competence, in addition to practical examinations.

Intern Support

The success of the Intern Outreach Program carried out in December 2007 and January 2008 was evident by the positive comments returned by participants.

The program, established based on a recommendation in the Board's 2001 *Report on the Review of the Goals and Objectives of Funeral Service Education in the Province of Ontario* (the "Education Report"), was presented this year for the second time. Twelve facilitated sessions were offered providing participants with an opportunity to share their thoughts, successes and challenges with their peers and learn from each other's experiences in an informal, supportive environment.

With 78% of eligible interns participating, every participant said they found the session to be helpful and would recommend attending to peers and future interns.

During the session, the Board shared tools intended to empower interns in their quest to become funeral directors. The following are just a few of the many positive comments made by participants.

"Good place to share challenges and experiences. It made me feel really good about my internship."

"Very reassuring about the concerns I had. I feel much better about what to expect."

"It definitely improves my outlook on the whole program. Allowed me to realize that most interns are in the same position. I would recommend the program be a must."

Given the success of the program, the Board has sessions planned for December 2008 and January 2009.

Enhancing the Internship Based on Intern Input

The Committee reviewed the Intern Outreach Program survey results to identify successes and enhancements. Based on the survey responses, the Committee committed to ensuring every intern had the opportunity to attend a session or was given the opportunity to meet with the Board's Professional Competence Officer in person.

The Committee also ceased issuing the intern and preceptor interim surveys, noting that there were other means of collecting the information, now that the Professional Competence Officer is in place and dedicated to internships. Sample employment agreements for internships were also developed to support a formal employment relationship between the interns and their employers.

To improve the internship training process, the Committee also supported the revision of the embalming reports and guidelines along with the introduction of a quality assurance program to ensure reports are being properly completed.

Making it Easier to do Business

The Committee was also pleased with the staff's effort to make registering an internship and a shared internship easier. The registration form is now a single form that can accommodate a single or shared internship. All of the parties have the information on one form, which also reduces the likelihood of any surprises.

Professional Development Program

Several new speakers were included in the Professional Development program offered in 2008 and most were very well received. Efforts are being made to bring in new and different speakers whose backgrounds may not be traditionally linked to funeral service. With some coaching and guidance from Board staff, the speakers were successful in translating their knowledge and experience to provide meaningful information to licensees, as exhibited by the participant surveys.

To celebrate the profession's heritage and in recognition of its commitment to serving Ontario consumers, the Board presented its Legacy Awards to those in attendance who have been licensed for fifty or more years. 2008 was the fifth year the awards were presented and appear to be appreciated by both the recipients and the participants.

Licensing Examinations and Student Awards

The licensing examinations are reviewed regularly to ensure both fairness and that they reflect changes in funeral service in Ontario. We are looking forward, however, to developing new computer based examinations, which will allow participants to receive their results immediately. A subcommittee of the Canadian regulators has been charged with researching the possibility of a national exam; we look forward to the results of its research.

We were delighted to present awards to the Funeral Service Education students who achieved the highest scores on the Licensing Exam on their first attempt. Congratulations to Marc Bray from Collège Boréal and to Nicholas Haberer from Humber College.

Ongoing Discussions with Other Regulators

Board staff continues to meet with funeral service regulators at various meetings of the International Conference of Funeral Service Examining Boards and Canadian Regulators, giving us the opportunity to share ideas and solutions to improve funeral service training and licensing.

Looking Forward to 2009

The Committee will be focused on supporting the implementation of labour mobility under the Agreement on Internal Trade in 2009. With amendments to the Agreement to be released in late 2008, the provinces will have to work together to remove any remaining barriers that may exist.

The Board will consider researching the prospective labour shortage forecast by economists as the members of the Baby Boom generation begin to reach 65 years of age. The funeral sector will not be immune from the impact of the aging population.

My thanks to the committee members, Rob Hubbert and Tracy Seaton and staff, Vicki McCoy, Sue Beck, Liselotte Kidston and Joseph Richer for their stellar efforts during the year. I look forward to working with each of you again on the Committee in 2009.

*Cathy Taylor
Chair*

AUDIT, FINANCE AND RISK COMMITTEE

The Audit, Finance and Risk Committee held four meetings in 2008. The Committee continues to identify and assess risks facing the Board.

As 2008 ends, our particular financial concern is the licensing fee level, which has not changed since 1992. Although it has been possible to fulfill the Board's mandate without a fee increase during this time, in the past 17 years, the Board has drawn down on accumulated surpluses to finance the work that needed to be done. This is not sustainable even with vigilant cost management and the Board has asked again for a regulatory change to permit a fee increase.

The Committee undertook policy work in several areas in 2008. The Committee developed a new policy for defining eligible investments and the authority for investment decisions for the Board's surplus funds. This work led to a bylaw amendment, which also raised the limit from \$5,000 to \$10,000 for cheques that must be signed by a designated member of the Board. The Board has maintained a conservative investment profile, consistent with the nature of the fund and the mandate of the Board.

The Committee also reviewed the processes and policies under which the Compensation Fund is managed and worked with the Compensation Fund Committee in first clarifying the investment goals for the Fund. The purpose of the Compensation Fund is to compensate and redress consumer claims. The investment goals therefore are to provide sufficient funds to cover those claims and the expenses of the Fund. No greater investment risk is to be incurred other than is necessary to meet those goals. The investment goals were affirmed with the Trustee.

The clarification then led to a review of roles for the Board, the Compensation Fund Committee and the appointed Trustee. It also led to a refocusing of the reporting relationship of the Investment Manager to the Trustee, and in turn, the Trustee to the Compensation Fund Committee.

The Committee supported the work of staff in developing a new policy on project management. The policy was developed in response to the challenges the Board encountered in the implementation of the Board's new information technology infrastructure in 2007 and 2008. It is intended that the new policy framework will strengthen project control.

The Committee continues to be concerned about the potential impact of the implementation of the *Funeral, Burial and Cremation Services Act, 2002* and the associated risks and costs of winding down the Board of Funeral Services, should it be decided that a single regulatory body would be created for the entire sector. It is hoped that the future direction can be confirmed and suitable plans prepared within the next six months.

As we look forward to 2009, the Committee priorities include addressing the organization implications and costs of other legislation, such as the *Accessibility for Ontarians with Disabilities Act, 2005*, as well as continuing to refine and develop the organizational risk map.

Alison J. Knight, FCA

Chair

COMMUNICATIONS AND LONG RANGE PLANNING COMMITTEE

After a slow time in 2007 and early part of 2008, the Committee was very active in the last half of 2008, developing a new logo for the Board of Funeral Services, which it plans to introduce in 2009.

The Committee oversaw the consolidation of the Board's two existing brochures, which now covers making funeral arrangements and prearranging funeral arrangements. The consolidated document provides much information to support consumers making decisions about funeral arrangements.

The staff participated in four consumer shows in 2008, including the Ontario Retirement Community Association's annual show, which resulted in orders for over 8,000 consumer brochures. Over 100 retirement and long term care facilities will be distributing the brochures to residents. The Committee is pleased with the public outreach.

While very interested in developing a three-year business plan, the Committee, supported by the Board, has decided to focus on an annual plan and pursue a three-year plan following the proclamation of the new legislation.

The Board continues to collaborate with the Ontario Government and other consumer protection agencies in the Smart Consumer Calendar, having taken part since 2007. The calendar is an exciting opportunity to promote consumer protection to the over 350,000 recipients of the calendar.

The Committee has been actively working with the Loss, Grief & Growth Education Project, Inc. to devise a plan to roll out the program that has been in development for some time. The program is designed to support teachers teaching students about loss, grief and the growth that follows.

Doug Kennedy
Chair

COMPLIANCE – *The BOFS Inspection Team*

The Inspection Team

The BOFS inspection team had a productive year in 2008. With an additional team member for the latter half of the year, the team hit an all time high number of inspections. The team looks forward to assisting in the upcoming implementation of legislative reform.

Inspection Details

In 2008, the team carried out 278 site inspections in which over \$11,000 owing to consumers was uncovered.

Inspections typically involve an inspection of the premises and contracts with consumers.

The number of compliance items identified during inspections remained unchanged at approximately 6.1. The inspection team focused on documents (contracts & price lists) to ensure they were current, consumer friendly and easy to understand. The average number of contract and price list issues increased slightly from 2.0 to 2.9 items in 2008.

The inspection team continues to work with the Mosques that provide last rites and rituals for their members. The program is voluntary and the relationship with the Mosque representatives is positive, as we work together to ensure compliance with the law.

Inspection Data Summary

	2008	2007
Inspections	278	219
Routine	251	203
Tightened inspections* carried out	28	38
Tightened inspections next scheduled	24	N/A
New premises or ownership and misc.	10	10
Premises closed	9	6
Refunds to consumers	\$11,527.55	\$16,963.92
Average compliance items identified	6.1	6.1
Items relating to price lists/contracts	2.9	2.0

* Tightened inspections are those scheduled to be carried out sooner than usual. While the average inspection is carried out at approximately three year intervals, tightened may be carried out at 6, 12, 18 or 24 months from the previous inspection.

Update on Risk-Based Inspections

The inspections conducted on a tightened rotation in 2008 were mostly the result of businesses opening, closing or changing ownership. Usually an inspection is scheduled within six months to one year of an ownership change.

Results of Tightened Inspections	2008	2007
Tightened inspections (includes new business/owner)	28	38
Tightened remained tightened inspections	4	7
Tightened changed to regular inspections	4	9
Regular changed to tightened inspections (excluding new business)	3	11
Non-compliance items for tightened to regular (total)	10	78

Of those licensees inspected as the result of a tightened schedule based on their last inspection and changed to a regular inspection, there was a remarkable reduction of 85% in the number of compliance items identified.

Overall, the number of tightened inspections has decreased from 38 in 2007 to 28 in 2008. We are pleased with the risk-based inspection program and the noted results they have produced. The inspection team will continue to identify those licensees that are struggling to maintain compliance and require some additional assistance to reach those goals.

Investigations

The BOFS inspection team closed 22 of the 24 investigations begun in 2008. The investigations involved a variety of issues including: the misappropriation of prepayment funds, inappropriate advertising, a funeral director signing the consumer's signature on a contract, and the unauthorized substitution of merchandise.

Some of the investigations resulted in actions against the funeral director, some ended up with a proposal refusing an establishment licence and some licensees were cautioned about the non-compliance issue. Approximately 54 percent of the investigations were initiated by information received from other licensees.

Stakeholder Education & Outreach

In 2008, the inspection team prepared two articles for publication in the Board's newsletter. One article discussed solicitation and the need for licensees to be aware of the laws and their accountabilities as managers.

The second article discussed the removal of bodies and the importance of taking steps to make certain the correct body is removed. The article, which originated from an event where two bodies were removed in error, outlined what a strong policy should contain. In preparing the piece, staff met with a number of funeral directors who manage businesses that do a large number of removals to learn from their experiences. The article was well received by the profession.

In 2008, the inspection team again attended the Ontario Association of Cemetery and Funeral Professionals convention in Mississauga. Their attendance gave the team an opportunity to speak to numerous attendees, to answer questions about current and proposed legislation and an opportunity to represent the Board. In addition, the inspection team attended a number of regional association meetings within the province upon invitation.

Customer Service – Balancing Consumer and Licensee Needs

While maintaining a constructive relationship with licensees, the inspection team provides quality service through its balanced approach to inspections. Annually, the team surveys the managers who underwent inspection and examines the results carefully looking for areas for continuous improvement. Action is taken wherever possible. The team is pleased that the positive survey results included only one constructive comment, for which the team has taken steps to address the concern. The inspection team continues to seek ways to balance the licensees' needs and consumer protection. The inspection team will continue to review and assess all suggestions made by licensees.

Based on the survey results, it is apparent that the members of the inspection team are highly regarded by the profession, as evidenced by the comments below.

"I feel that the inspectors have a very important role to protect everyone involved. I have been directly involved with two of the Board's inspectors and they are truly fantastic at what they do. I welcome them with open arms and appreciate the advice and recommendations when they are here."

"The inspector was friendly and helpful/unobtrusive during the inspection and very helpful in making recommendations in a non judgmental way."

"Friendly and professional-always willing to be helpful in solutions. As well, assist with a relaxing and informative atmosphere, especially with the ending session."



Enhancing BOFS Systems & Database

The inspection team continues to work to support the enhancements to the Board's information technology infrastructure to optimize its capabilities in respect of enforcement activities.

In Store for 2009

For 2009, the inspection team will continue to build and refine the risk-based enforcement approach. It will also reorganize the duties of the members of the team to optimize the team's effectiveness and efficiency.

The inspection team will look at doing approximately 250 inspections for 2009. This will depend on the introduction of the *Funeral, Burial and Cremation Services Act, 2002*, which will force the team to reduce the target, focus on licensee education, and support for the transition to the new legislation.

René Brakel

Manager, Inspections & Investigations

LICENSING AND ADMINISTRATION

Introduction

The licensing and administration team plays a key role in the processing of requests from consumers, professionals, the government and other stakeholders, as the first point of contact for the Board.

The team handles the renewals of approximately 3,200 personal and business licences and the registration of approximately 80 internships annually.

As the staff becomes more familiar with the features of the new information technology infrastructure, it is able to better service licensees. The staff is excited to see that the on-line renewals are slowly gaining acceptance with members of the profession. Approximately 11% of funeral directors renewed on-line in 2008. Many licensees are taking advantage of the option of paying by credit card for the majority of services, such as personal licensing fee payments, professional development registration fees and licensing examinations fees.

Licensing / Registration

In 2008, we experienced a slight increase in the number of funeral directors who renewed on-line, but we anticipate a significant increase for the 2009 licences and continued growth as we explore ways to allow businesses to renew electronically as well.

The licensing and administration team continues to maintain high levels of service and support to licensees during the licensing process. As more licensees renew on-line the team will need to assess the impact on the licensing renewal process. We believe that once funeral directors start renewing on-line, they will appreciate the ease of the process and begin to do other things on-line, such as changing addresses.

Proposals / Orders / Conditions & LAT

The Registrar issued seven proposals & orders in 2008, down from 12 in 2007. Most proposals involving licence conditions were accepted voluntarily by the funeral director, thereby eliminating the need for a hearing before the Licence Appeal Tribunal.

Of the five Registrar's proposals issued, three were carried out without an appeal resulting in one conditional licence, one refusal to issue and one revocation. The two remaining proposals were appealed to the Licence Appeal Tribunal, which upheld the first proposal to revoke, with the second appeal pending a hearing. All licence conditions are monitored to ensure compliance.

Education & Professional Development

The team continues to look at ways to bring relevant topics and seminars to licensees in order to meet their Professional Development obligations. The new speakers presented at PD 2008 Toronto were well received. 369 funeral directors attended PD 2008 Toronto, with an additional 24 attending the concurrent Preceptor Training Program.

Celebrating its fifth anniversary in 2008, the Preceptor Training Program has evolved to meet the needs of the profession, becoming more interactive and offering more practical training for funeral directors.

We continue to offer training to licensees interested in participating as examiners in the Practical Examinations program. The training session is offered in February annually, which allows licensing candidates the opportunity to complete their practical exam as soon as they are eligible.

Canadian Regulators Annual Meeting

BOFS staff meets annually with its counterparts from across the country allowing the opportunity to share best practices and challenges facing the sector. We continue to explore the possibility of establishing a national exam to both share

resources and establish a common Canadian standard. A working group of regulators has been struck to research the issue considering the advantages, disadvantages and costs.

Supporting Interns

The Intern Outreach Program first introduced in 2007 continues to be very successful and well supported by interns. Considering participant input, we have implemented several changes to make the program more meaningful for participants.

Based on intern feedback, we have revised the Board's Embalming Report to make it more practical. The report is available on the Board's Web site in French and English.

We are seeking to broaden the program in 2009 to create opportunities for preceptors to share their successes and challenges to promote successful internships.

A sample employment agreement, new this year, was developed to assist employers and interns to formalize the relationship and articulate expectations for the internship.

Another internship support initiative will be to develop the Intern and Preceptor page on the Board's website introducing a number of new internship documents, including "Introducing the Intern to the Arrangement Conference", important FSE program dates and the sample employment agreement.

Supporting Licensees & Interns Through Technology

We are committed to maintaining the Web site as current as possible. We will continue to develop new pages to the site, including information about what someone needs to know if they want to buy or open a new business.

Goals and Objectives 2009 – Future Considerations

In 2009, we will begin to send out periodic email updates about new initiatives and programs offered by the Board and as general reminders for various deadlines, such as licence renewals.

Over the next year, we will continue to add more commonly requested documents and complete our investigation into creating a system for posting employment opportunities for interns and funeral directors or those looking for employment. The challenge is to provide a service that is up to date, but requires little maintenance.

Susan Beck

Manager, Licensing & Administration

STATISTICS FOR 2007/2008
REGISTRATIONS AND LICENCES ISSUED

Personal Licences	2008	2007	2006	2005
Funeral director active	1,909	1,890	1,879	1,869
Funeral director inactive	747	732	733	688
Funeral director conditional	16	18	19	18
Funeral director resigned	1	0	3	0
Funeral director revoked	1	1	0	0
Funeral director suspended	2	3	1	1
Funeral director emeritus	67	63	55	55
Funeral director re-instated	3	2	6	3
Registered Transfer Service Operators	8	7	4	5
Labour Mobility Transfer	5	2	2	1
Business Licenses	2008	2007	2006	2005
Funeral Establishments	565	565	564	567
Offering Services to the Public	561	562	560	563
Not Offering Services to the Public	4	3	4	4
Transfer Services	39	39	37	35
Conditional	0	0	10	1
Revoked	2	2	3	1
Refused	1	0	0	1
New funeral establishments	6	6	5	6
New transfer services	3	2	3	1
Changes of ownership	9	32	22	10
Closed funeral establishments	6	5	7	7
Closed transfer services	3	2	2	1
Exam Attempts	2008	2007	2006	2005
Licensing Exams: Fall	16	12	20	17
Licensing Exams: Spring	61	104	90	90
Active/Inactive Exam	2	1	1	0
Re-instatement Exam	2	2	2	3
Legislative Exam	5	2	2	1
Out of country candidate	0	0	0	1

Financial Outlook

Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2008. Complete financial statements are available from the Board of Funeral Services upon request.

JOHN R. MAYHUE, B. COMM., C.A.
FRED J. BRASS, B. COMM., C.A.

HARRIS & WRIGHT LLP

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

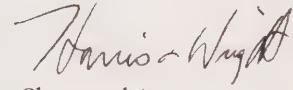
To the Directors of
Board of Funeral Services

We have audited the balance sheet of Board of Funeral Services as at October 31, 2008 and the statements of revenue and expense - operations & special initiatives, net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2008 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
December 2, 2008


Chartered Accountants
Licensed Public Accountants



BOARD OF FUNERAL SERVICES
 (Under the *Funeral Directors and Establishments Act, 1989*)

BALANCE SHEET
 October 31, 2008

Comparative
 2007

ASSETS

Current assets:

Cash and bank	\$ 103,720	\$ 42,844
Sundry receivables (Note 4)	18,259	10,368
Prepaid expense	<u>17,329</u>	<u>26,026</u>
	<u>139,308</u>	<u>79,238</u>
Investments - at cost plus accrued interest (Note 3)	<u>1,768,219</u>	<u>1,869,647</u>
Capital assets - at cost: (Note 2)		
Office furniture, computers and equipment	163,709	173,820
Leasehold alterations	<u>21,353</u>	<u>21,353</u>
	<u>185,062</u>	<u>195,173</u>
Less - Accumulated amortization	<u>117,089</u>	<u>117,692</u>
	<u>67,973</u>	<u>77,481</u>
	<u>\$ 1,975,500</u>	<u>\$ 2,026,366</u>

LIABILITIES

Current liabilities:

Accounts payable and accrued liabilities	\$ 58,590	\$ 66,477
Deferred licence fee revenue (Note 2)	<u>217,261</u>	<u>211,495</u>
	<u>275,851</u>	<u>277,972</u>

NET ASSETS

	<u>1,699,649</u>	<u>1,748,394</u>
	<u>\$ 1,975,500</u>	<u>\$ 2,026,366</u>



BOARD OF FUNERAL SERVICES

STATEMENT OF REVENUE AND EXPENSE - OPERATIONS & SPECIAL INITIATIVES

Year ended October 31, 2008

	Comparative	
	2007	
REVENUE		
Funeral Directors' licence fees	\$ 398,706	\$ 397,460
Funeral Establishments' licence fees	835,580	820,360
Transfer Services' licence fees	30,304	28,890
	<hr/>	<hr/>
Duplicate certificates	350	270
Student registration fees	4,050	3,050
Student examination fees	11,650	17,400
Professional development	109,921	108,041
Investment revenue	88,551	86,009
Administration fees - Compensation Fund	11,134	5,498
Sale of Directories, Acts and Miscellaneous revenue	8,917	7,416
Reimbursement - Ministry of Small Business and Consumer Services	<hr/> 11,567	<hr/> 4,931
	<hr/> 1,510,730	<hr/> 1,479,325
EXPENSE (Schedule A)		
Salaries, benefits and compensation	\$ 832,021	\$ 750,465
Transportation and communication	257,967	231,426
Services	170,041	173,797
Supplies and equipment	<hr/> 221,039	<hr/> 231,566
	<hr/> 1,481,068	<hr/> 1,387,254
EXCESS OF REVENUE OVER EXPENSE	 29,662	 92,071
SPECIAL INITIATIVES (NOTE 6)	 78,407	 190,663
EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES	 \$ (48,745)	 \$ (98,592)

BOARD OF FUNERAL SERVICES

STATEMENT OF NET ASSETS

Year ended October 31, 2008

	Comparative	
	2007	
BALANCE, beginning of year		
BALANCE, beginning of year	\$ 1,748,394	\$ 1,846,986
EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES	(48,745)	(98,592)
BALANCE, end of year	<hr/> \$ 1,699,649	<hr/> \$ 1,748,394

BOARD OF FUNERAL SERVICES

STATEMENT OF CASH FLOWS

Year ended October 31, 2008

	Comparative	
	2007	
CASH PROVIDED FROM OPERATIONS		
Excess of expense over revenue after special initiatives	\$ (48,745)	\$ (98,592)
Items not affecting working capital:		
Amortization	<u>14,931</u>	<u>17,382</u>
Net change in non-cash working capital (see below)	<u>(33,814)</u>	<u>(81,210)</u>
	<u>(1,315)</u>	<u>(44,626)</u>
Cash provided by (used in) operations	<u>(35,129)</u>	<u>(125,836)</u>
CASH USED IN INVESTING ACTIVITIES		
Capital asset additions	<u>(5,423)</u>	<u>(6,826)</u>
Decrease in cash	<u>(40,552)</u>	<u>(132,662)</u>
Cash at beginning of year	<u>1,912,491</u>	<u>2,045,153</u>
CASH AT END OF YEAR	<u>\$ 1,871,939</u>	<u>\$ 1,912,491</u>
Cash at end of year represented by:		
Cash	<u>\$ 103,720</u>	<u>\$ 42,844</u>
Investments	<u>1,768,219</u>	<u>1,869,647</u>
	<u>\$ 1,871,939</u>	<u>\$ 1,912,491</u>
NET CHANGE IN NON-CASH WORKING CAPITAL		
Increase (decrease) in:		
Current assets:		
Sundry receivables	<u>\$ 7,891</u>	<u>\$ (3,372)</u>
Prepaid expense	<u>(8,697)</u>	<u>(10,527)</u>
	<u>(806)</u>	<u>(13,899)</u>
Current liabilities:		
Accounts payable and accrued liabilities	<u>(7,887)</u>	<u>(58,185)</u>
Deferred licence fee revenue	<u>5,766</u>	<u>(340)</u>
	<u>(2,121)</u>	<u>58,525</u>
NET INCREASE IN NON-CASH WORKING CAPITAL	<u>\$ 1,315</u>	<u>\$ 44,626</u>

BOARD OF FUNERAL SERVICES

NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2008

1. STATUS AND PURPOSE OF THE ORGANIZATION

Board of Funeral Services was incorporated under the laws of the Province of Ontario December 16, 1976. Under the Federal and Ontario Income Tax Acts, it is a not-for-profit organization and is exempt from income taxes.

The mission of Board of Funeral Services (the 'Board') is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act;
- Supplying information to consumers about their rights;
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- Developing and implementing educational programs for funeral service and transfer service providers;
- Consulting with stakeholders in order to ensure their needs and interests are identified;
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Ministry of Small Business and Consumer Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act, 1989*.

2. SIGNIFICANT ACCOUNTING POLICIES

Amortization

Amortization on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

Deferred licence fee revenue

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year and any 2009 fees or other revenue collected.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Revenue recognition

Fee revenue is recognized when received.

3. INVESTMENTS - Market value \$ 1,700,908 (2007 - \$ 1,825,474)	Comparative 2007
CIBC Deposit Note - 4.35%, maturing November 1, 2011	\$ 502,033
GE Capital Funding - 4.375%, maturing September 28, 2012	494,953
Government of Canada Strip Bond - 3.958%, maturing March 15, 2009	393,679
Toronto Dominion Bank - 5%, maturing February 14, 2009	202,119
Enbridge Inc - 3.95%, maturing February 15, 2010	175,435
Bank of Nova Scotia - 3.722%, maturing November 5, 2007	-
Citigroup Finance Canada - 3.49%, maturing September 28, 2008	-
Toronto Dominion Bank - 5%, maturing February 14, 2008	-
RBC Premium Money Market Fund - 726.905 units	7,159
	\$ 1,768,219
	\$ 1,869,647

All investment transactions were made within the scope of the Board's by-laws.

BOARD OF FUNERAL SERVICES

NOTES TO FINANCIAL STATEMENTS CONT'D

Year ended October 31, 2008

4. SUNDRY RECEIVABLES

	Comparative 2007
Ministry of Small Business and Consumer Services - reimbursement	\$ 6,895 \$ 3,527
Compensation Fund and miscellaneous	11,364 6,841
	<hr/> <hr/>
	\$ 18,259 \$ 10,368

5. LEASE COMMITMENTS

Office space is leased under a long-term agreement expiring September 1, 2011. Autos, which are leased for the inspectors, have lease expiry dates of April 2010. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2008:

2009	\$ 75,105
2010	66,977
2011	55,597
2012 and thereafter	<hr/> 1,144
	<hr/> <hr/> \$ 198,823

6. SPECIAL INITIATIVES

	Comparative 2007
Computer - Database Technology and Software Development	\$ 42,502 \$ 156,622
Computer equipment	4,171 5,850
Education Review	6,572 5,748
Labour Mobility Forum expense - Competency Profile	395 80
Office furniture relocation	565 -
Public relations	<hr/> 24,202 22,363
	<hr/> <hr/> \$ 78,407 \$ 190,663

The Excess of Expense over Revenue of \$48,745 (2007: \$98,592) is a direct result of the Board's decision to draw on its net assets for these planned budgeted initiatives.

7. FINANCIAL INSTRUMENTS

The Board's financial instruments include cash, sundry receivables, investments, accounts payable and accrued liabilities. The fair value of all financial instruments, other than investments, approximate their carrying values. The value of investments at October 31, 2008 was \$1,700,908

PREPAID FUNERAL SERVICES COMPENSATION FUND
 (Under the *Funeral Directors and Establishments Act, 1989*)

BALANCE SHEET

October 31, 2008

**Comparative
2007**

ASSETS

Current assets:

Cash:

Toronto Dominion Bank	\$ 6,024	\$ 643
TD Private Client Group	26,254	287
Investment income receivable	7,291	8,447
	<u>39,569</u>	<u>9,377</u>

Investments - at cost (Note 4)

2,177,833 1,985,982

\$ 2,217,402 \$ 1,995,359

LIABILITIES

Current liabilities:

Accrued liabilities	\$ 5,394	\$ 4,292
Payable to Board of Funeral Services	11,350	6,358
	<u>16,744</u>	<u>10,650</u>

Voluntary payments (Note 3)

43,497 12,326

NET ASSETS

2,157,161 1,972,383

\$ 2,217,402 \$ 1,995,359

STATEMENT OF REVENUE AND EXPENSE

Year ended October 31, 2008

**Comparative
2007**

Revenue:

Initial payments	\$ 2,700	\$ 7,920
Interest income	87,219	65,797
Dividend income	14,116	18,932
Capital gains distributions	5,716	21,572
Capital gains - Sale of CTF Funds and TD Investment Funds	149,963	-
Compensation claims recovered	8,991	-
	<u>268,705</u>	<u>114,221</u>

Expense:

Administration costs	8,634	5,498
Audit fees	2,889	2,888
Bank charges	53	16
Legal fees	2,500	212
Prepaid funds compensated	48,429	2,371
Trust administration fees	21,421	21,337
	<u>83,926</u>	<u>32,322</u>

EXCESS OF REVENUE OVER EXPENSE

\$ 184,779 \$ 81,899

3 1761 11469093 6



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